



## **EXCESSIVE PURCHASING OF DUTY-FREE GOODS**

- 1. The Republic of Korea (ROK), through the Status of Forces Agreement (SOFA), affords US Armed Forces and associated personnel the privilege of shipping items into the country duty-free. Moreover, the ROK allows "SOFA-status personnel" the privilege to buy items at duty-free activities in the ROK (for example, the commissary and exchange) without paying ROK charges such as: import taxes/duties, value-added taxes (VAT), tariffs, and similar fees. The United States, in turn, is obligated to prevent the abuse of duty-free privileges granted by the ROK under the SOFA.
- 2. "Black marketing" is the illegal transfer or resale of duty-free goods to someone not authorized access to them. A clear pattern of "excessive purchasing" (the purchase of duty-free goods in clear excess of personal needs, the needs of immediate family members, guests, and other individuals properly provided duty free goods) may be an indication that illegal transfers of duty-free goods are occurring.
- 3. In accordance with USFK Regulation 60-1, "Ration Control Policy", and USFK Command Policy Letter #48, "Blackmarketing and Excessive Purchasing," SOFA-status personnel are required to restrict purchases of duty-free goods to those that are reasonably required for their personal needs, the needs of authorized family members, guests, other individuals properly provided duty free goods, and as bona fide gifts, as permitted by the SOFA and USFK Regulations 643-1, "Transactions between SOFA Personnel" and 643-2"Transfer of Duty Free Items." This purchase restriction is designed to prevent the abuse of duty-free privileges granted to the US by the ROK.
- 4. United States military personnel that engage in black-marketing are subject to adverse administrative action and/or criminal prosecution under the Uniform Code of Military Justice (UCMJ). Personnel not subject to the UCMJ that engage in black marketing are subject to adverse administrative action, including (but not limited to) revocation of privileges, and/or curtailment of overseas assignment. In addition, personnel that violate ROK laws may be subject to criminal prosecution by ROK authorities.
- 5. All USFK personnel must recognize that individual actions reflect upon public perceptions of the United States. I expect that each of you will continue to conduct yourselves in an appropriate manner that displays a positive example to our host nation.

We Go Together!

WALTER L. SHARP General, U.S. Army Commander